For Immediate Release 26 July 2017

STAFFLINE GROUP PLC
('Staffline' or 'the Group')

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

Staffline, the Staffing and Employability organisation, today announces its unaudited Interim Results for the six months ended 30 June 2017.

Financial highlights:

- Revenues up 3% to £427.8m (H1 2016: £414.7m)
- Underlying profit before tax* grew 5% to £16.1m (H1 2016: £15.3m)
- Underlying diluted Earnings Per Share* rose 3% to 50.1p (H1 2016: 48.5p)
- Reported profit before tax decreased 45% to £6.3m (H1 2016: £11.5m) **
- Reported diluted Earnings Per Share decreased 64% to 14.2p (H1 2016: 39.1p) **
- Net debt*** reduced by 13% from £36.7m at 31 December 2016 to £32.1m at 30 June 2017. Remain on track to be in a net cash position by 31 December 2017
- Interim dividend increased by 5% to 11.0p (H1 2016: 10.5p)

* Underlying excludes amortisation of intangible assets arising on business combinations, business acquisition costs and the non-cash charge/credit for share based payment costs ("SBPC")
** Decrease in reported profits and earnings per share due to a £7.6m increase in non-cash share based payment, reflecting the 56% increase in the Company's share price during the past six months.
*** Net debt including unamortised transaction costs

Operational highlights:

- Record first-half within the Staffing division:
    - The ***OnSite*** locations grew by 31; total locations are now 388 (December 2016: 357, June 2016: 341) – increasing Staffline's market leading position
    - The newer divisions, Driving Plus, Ireland and Agriculture, each had an excellent six months with strong organic growth
    - The confirmed pipeline for the second half of the year, plus other tender opportunities, means the full year is expected to see similar levels of ***OnSite*** growth as in 2015 and 2016
    - Following the successful acquisition of Brightwork, Staffing now has a market-leading presence in Scotland to add to the other newer divisions
- Operational efficiencies and top performance within PeoplePlus division:
    - Ensures we remain the continued market leading employability and skills business
    - Eight of our nine prime Work Programme contracts are in the top ten nationally for performance
    - 25 new local contracts won in the past six months
- Positive outlook for remainder of 2017 and on track to achieve our ambitious five-year £1 billion revenue target by the end of 2017.

Commenting on the results and prospects for the rest of 2017, Andy Hogarth, Chief Executive, said:

"This positive first half of the year reflects the continuation of the growth and success which the Group enjoyed in 2016. It is hugely encouraging to see that, even in these uncertain economic times, Staffline can continue to thrive, with another record number of OnSites opened in our Staffing division and a strong new business pipeline. Our PeoplePlus business has performed very well in all of our Work Programme contracts and has also achieved significant operational efficiencies. Our two acquisitions during the period have both settled in well and are performing in line with our expectations.

We have every confidence that our positive growth and implementation of strategic initiatives will translate into delivering current market expectations for 2017 and continue to drive long term shareholder value."

A presentation for analysts will be held at 9.30am on Wednesday 26 July 2017 at the offices of Buchanan, 107 Cheapside, London, EC2V 6DN.

A presentation and light lunch for private and retail investors will also be held at 12.00 noon on Wednesday 26 July 2017 at the offices of Buchanan, 107 Cheapside, London, EC2V 6DN. Admittance is strictly limited to those who register their attendance for the event in advance with Buchanan.

For further information, please contact:

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Market Abuse Regulation

This announcement is released by Staffline Group plc and contains inside information for the purposes of the Market Abuse Regulation (EU) 596/2014 ("**MAR**") and is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person who arranged for the release of this announcement on behalf of Staffline Group plc was Chris Pullen, Group Chief Financial Officer.

Next trading update

The Groups next scheduled announcement of financial information will be the pre year end close trading update on Wednesday 3 January 2018.

About Staffline

Staffline is a leading outsourcing organisation providing services, mainly in the UK and Eire, to both Government and commercial customers. The Staffing division supplies up to 51,000 workers per day to more than 1,500 clients. Using the skills we have developed and learned within Staffing we have developed a second division, PeoplePlus, and have become a leading provider to both Central and Local Government, offering a wide range of services to help and support in the Employability (Welfare to Work), Communities and Skills arenas.

Staffing Services
Specialising in providing complete labour solutions in agriculture, food processing, manufacturing, e-retail, driving and the logistics sectors, the recruitment business operates from nearly 400 locations in the UK, Eire and Poland.

The Staffing brands include:

- Staffline ***OnSite***, based on clients' premises and providing both blue and white collar, out-sourced, temporary workforces
- Driving Plus, providing HGV drivers to the driving industry
- Staffline Agriculture, providing workers to the UK farming and horticulture sectors
- Staffline Express, our high street branch based operation
- Brightwork, a recruitment business based in Scotland specialising in temporary and permanent jobs to the drinks industry as well as industrial recruitment
- Select Appointments, a high street branch-based operation providing white collar office staff, operated entirely on a franchised basis by independent business owners

PeoplePlus
Trading under the PeoplePlus brand, Government contracts include:

- Work Programme, prime contractor in nine regions and sub-contractor in three regions in England and Wales
- New Enterprise Allowance (business start-up support), prime contractor in three regions of England and a sub-contractor in Wales
- Steps to Success, prime contractor in Northern Ireland
- Youth Guarantee (MyGo Centre), supporting youth employment in the Ipswich area
- Youth Promise Plus, supporting youth employment in Birmingham
- Youth Employment Gateway, supporting youth employment in the Wirral
- Building Employment through Education, working in Schools in Northern Ireland
- Prime contractor to the Education and Skills Funding Agency, Welsh Government as well as Skills Development Scotland,
- Delivering Apprenticeships and Adult Education across the UK – funded by both the Skills Funding Agency and private commercial organisations.

Community services:

- Ministry of Justice, Transforming Rehabilitation in Warwickshire and West Mercia, helping to transform rehabilitation and probation services
- OLASS, delivery of training to prisoners in nine prisons in the East of England
- Independent Living Services, supporting 3,500 disabled people lead independent lives
- Visitor Centres for the Northern Ireland Prison Service
- Careers Hubs in Stoke and Staffordshire

Interim Management Report

Overall Review

The first half of 2017 continued where 2016 left off, in particular with our Staffing division achieving further significant organic growth and another record in total ***OnSites***. Our PeoplePlus division meanwhile has also made excellent progress, with continued focus on performance and operational efficiency.

We are in the final year of our five year programme to 'Burst the Billion', seeking to grow Group revenues to over £1 billion by the end of 2017, and the performance in the first half supports our confidence to achieve this. Group sales in the first half of 2017 grew 3% to £427.8m (H1 2016: £414.7m). Group organic revenue growth for the period was 1%, with Staffing organic growth of 8% offset by a 26% decrease in PeoplePlus revenues, reflecting the continued wind down of the Work Programme and the ceasing of new referrals in March 2017. Underlying profit*, increased by 5% to £16.1m (H1 2016: £15.3m). Underlying diluted earnings per share from continuing operations increased by 3% to 50.1p (H1 2016: 48.5p). Reported profit before tax of £6.3m was £5.2m lower than the £11.5m reported in H1 2016 due to increased share based payment charges following a 56% increase in the share price during the period.

*before tax and amortisation charges on intangible assets arising on business combinations, business acquisition costs and the non-cash share based payment credit/charge

Our Staffing business has continued to go from strength to strength, achieving considerable organic growth and, having grown by a net 31 ***OnSites,*** ended the period with a new record total of 388 locations (December 2016: 357, June 2016: 341). This growth was enhanced by the two acquisitions, Brightwork in Scotland in May 2017 and Oak Recruitment in the Republic of Ireland in March 2017. Both have performed well following their integration into the Group and they are trading in line with our expectations. The purchase of Brightwork in particular (with 7 OnSite locations) sees Staffing continue the strategy of entering into new markets and segments, with a view to becoming the market leader. All of our Staffing divisions have traded profitably during the first half of 2017, reaping the rewards of our investment in the start-up divisions which began in 2013; with Driving (14 new OnSites), Ireland (6) and Agriculture (5) all reporting record levels of growth. In our more mature markets, uncertainty over UK consumer spend and varying exchange rates has resulted in slower than usual sales growth, particularly within the Food division. The pipeline of new OnSite opportunities remains strong and we expect new business wins in the remainder of 2017 to be in line with the 16 net wins in the second half of 2016.

Our PeoplePlus division continues to be the market leading employability and skills business. With nine prime contracts and three sub-contracts, PeoplePlus is the largest provider to the Department of Work and Pensions ("DWP") of the Work Programme, aimed at getting long term unemployed people into lasting work. We continue to exceed the Department's performance expectations and to outperform most of our competitors with our nine prime contracts in the top eleven performers nationally. We are the only organisation to have qualified for every region in the DWP's Umbrella Agreement for the provision of Employment and Health Related Services which will account for £1.8 billion of DWP spend on out-sourced provision over the next 3 to 4 years. This enables us to bid for all contracts that are put out to tender through the Umbrella in all six geographic areas of England and Wales which, outside of the Work and Health Programmes ("WHP"), has a current potential value of £1.3 billion. Our unique position provides us with significant growth opportunities with the DWP despite PeoplePlus being unsuccessful in bidding for the Work and Health Programmes.

Financial Review

Profitability
Group sales in the period grew by 3% to £427.8m (H1 2016: £414.7m) but gross profit decreased by £8.3m, or 13% to £54.1m (H1 2016: £62.4m). Gross profit in our Staffing division grew by £2.7m (10%), but this was more than offset by the reduced activity in PeoplePlus where revenues decreased by 26% and gross profit decreased marginally more by 31%, (£11.0m). Underlying overhead costs were reduced by £9.1m (20%) to £36.6m.

Underlying profit* increased by 5% to £16.1m (H1 2016: £15.3m). On this basis, underlying diluted Earnings Per Share from continuing operations rose 3% to 50.1p (H1 2016: 48.5p). Statutory declared profit before tax decreased by 45% to £6.3m (H1 2016: £11.5m), due to a non-cash share based payment charge increase of £7.6m (H1 2017: £5.0m) (H1 2016: credit of £2.6m), reflecting the 56% increase in the Company's share price during the past six months.

* before tax and amortisation charges on intangible assets arising on business combinations, business acquisition costs and the non-cash share based payment credit/charge

Taxation
The tax charge on underlying profits was £3.2m, an effective tax rate of 19.9%, in line with the average actual composite UK corporation tax rate of 19.5%. During 2015, we were the first company quoted on AIM, and the first recruitment company, to be awarded the Fair Tax Mark, for ensuring that our tax disclosures are transparent and that we are open and honest in ensuring we pay the correct amount of tax due on our profits. We are delighted that this status was renewed in both 2016 and, on 19 July 2017, in 2017.

Balance sheet
Net assets increased marginally to £83.8m during the period (31 December 2016: £83.7m), the profit after tax for the period offset by the declaration and accrual of the final dividend for 2016. The main movements in the balance sheet items during the six months related to the acquisitions of Brightwork in Scotland and Oak Recruitment in the Republic of Ireland. Total assets rose by £2.8m (1%) whilst total liabilities rose by £2.7m (2%).

Cash flows
Net cash flow from operating activities for the period was £14.4m, below the £26.1m reported in the comparative period in 2016. Increased underlying operating profits for the group were offset by higher corporation tax payments and increased working capital requirements (H1 2017: increase of £2.2m during the six months, compared to a decrease of £7.1m in H1 2016). Staffing division debtor days improved by 1.3 days to a record 22.8 days at 30 June 2017 (30 June 2016: 24.1 days).

Net debt
The Group's net debt position improved from the 2016 year end position, falling by £4.6m or 13%, from £36.7m to £32.1m. This was achieved despite the 8% organic increase in Staffing sales, and therefore greater working capital requirements, and the acquisition of two businesses in Scotland and the Republic of Ireland. The unwinding of one-off non-standard payment terms for several clients helped this improvement. With strong free cash flow levels, net debt is expected to continue to fall in the second half of the year and we expect to be in a net cash position by the end of 2017.

Restatement of June 2016 results
Three adjustments have been made to reported June 2016 results in the restated results disclosed on pages 11 to 16 of this report. More detail is included in note 1 to this report.

- £2.2m increase in Goodwill relating to the finalisation of A4e and Milestone Operations acquisition fair value review. Net assets unaffected by this adjustment.
- £3.2m final 2015 dividend, paid in July 2016 but approved at May 2016 AGM, now accrued in June 2016 balance sheet. Net assets reduced by £3.2m by this adjustment, timing only – 2016 full year unaffected.
- £0.8m disposal of Goodwill re sale of A4e Australia in April 2016 now reversed, as part of the PeoplePlus cash generating unit. June 2016 Comprehensive income and Goodwill/net assets have both been increased by £0.8m. There is no effect on the 2016 annual figures.

Operational Review

Staffing

During the half year all of our Staffing businesses saw good organic growth. Staffing sales rose by 10% to £369.9m (H1 2016: £336.7m) driven both by organic growth (+8%) and also by the acquisitions of Oak Recruitment in the Republic of Ireland and Brightwork in Scotland in H1 2017. Our Staffing gross profit margin has improved very slightly to 7.92% (2016: 7.90%). The segmental gross profit rose by the same percentage as sales to £29.3m (H1 2016: £26.6m), whilst the segmental underlying operating profit rose by nearly double this rate, 19%, to £8.1m (H1 2016: £6.8m).

We continue to generate significant opportunities for the Group to build market share in our core business, underpinned by our compliance, ethical approach and reputation for being able to deliver in the industry, despite the broader UK economy remaining a highly competitive environment for many of our clients in the food processing and production sectors in which we operate. We have benefited from the trend towards further consolidation of supply within the recruitment industry, which has enabled us to increase the number of ***OnSites*** from which we operate by 31 (H1 2016: 36) during the half year, ending the period with a total of 388 locations.

Confirmed wins and current tenders are anticipated to see this growth continue in our newer Driving, Ireland and Agriculture divisions for the remainder of 2017 and beyond; our geographical and operational scale has made Staffline the go-to supplier in each of those markets.

In the more mature markets, uncertainty over UK consumer spend and varying exchange rates has resulted in slower than usual sales growth, particularly within the Food division.

It is now a year since the UK voted to leave the European Union ("EU"). In that period we have seen a reduction in the number of EU citizens coming to the UK and an increase in those returning to their homelands. However our scale of operations and our excellence in candidate attraction has meant that we have continued to achieve historic fulfilment rates, although it has become increasingly harder to maintain this.

PeoplePlus

Revenues in the PeoplePlus division decreased by 26% to £57.9m (H1 2016: £78.0m) reflecting the continued wind down of the Work Programme and the ceasing of new referrals in March 2017, with gross profit reducing by £11m to £24.8m (H1 2016: £35.8m). To balance this gross profit reduction we have also managed to reduce overhead costs in the period - by £10.5m. Accordingly, segmental operating profitability therefore decreased by only £0.5m (5%) to £9.4m (H1 2016: £9.9m).

Although contracted referrals onto the Work Programme ceased at the end of March 2017, providers will continue to support participants already on the Programme for up to four years and draw down payments for job outcomes and sustainment. This income will therefore continue until March 2021. Through the first half of 2017 operational efficiencies on the Work Programme have continued, by the reduction of overheads and a focus on our operating models. This, combined with our success at claiming for prior performance which has not yet been recognised, is expected to maintain the profitability of the division at current levels.

The introduction of the Apprenticeship Levy in April 2017 opens up a new market and we have aligned ourselves to benefit from this. Our strong offering has already seen a number of significant clients contract with us to deliver their Apprenticeship programmes. With a healthy pipeline of work in development, we expect further wins over the remainder of 2017 and into 2018, followed by year-on-year organic growth as the Apprenticeship Levy market matures, due to be worth £3 billion per annum by 2019.

Our Adult Education division continues to perform strongly and is well placed to increase market share through the current round of Government re-tendering. Our training offer in England recently underwent formal OFSTED inspection the results of which, when made public, are expected to further strengthen our reputation in the market place.

As a result of the recent UK General Election, a number of key government contracting decisions in Employability and Skills have been delayed. In some areas of the business these delays have resulted in contract extensions. In the past 6 months we have secured 25 new contracts, with a value totalling £20 million.

Our Community Rehabilitation Company ("CRC") and Offender Learning (OLASS) contracts, commissioned by the Ministry of Justice, continue to perform strongly. Draft data on reducing reoffending rates has shown that the Warwickshire and West Mercia CRC is in line to hit its performance target and remains one of the very few CRCs not to have incurred service credits due to under performance. Winning contracts in the next iteration of OLASS is a strategic priority for PeoplePlus and we are developing a proactive approach to ensure we secure an increased market share.

PeoplePlus Northern Ireland has successfully tendered for the new Apprenticeships programme in the Province, with the ability to deliver over 90 occupational frameworks across all 11 geographic areas. We also have agreements in place with two major Staffline clients to deliver Apprenticeship training to over 250 apprentices by the end of 2017. There is a strong pipeline for new opportunities, particularly with local Councils.

Our Skills Wales business is one of only nineteen prime contract holders with the Welsh Government for the delivery of Further Education. A strong first half of the year saw it outperform expectations in all key performance league tables, placing it in the top two of all the contract holders. This makes us well placed for future growth opportunities in Wales.

Corporate Social Responsibility ("CSR")

At Staffline we place great importance on the role we play in helping support local communities and the environment surrounding us. We understand the importance of integrating our business values and operations to meet the expectations of our stakeholders. These include clients, employees, flexible workers, regulators, investors, suppliers, the community and the environment. We recognise that our social, economic and environmental responsibilities to our stakeholders are integral to our business. We aim to demonstrate these responsibilities through our actions and within our corporate policies. The Group has implemented a robust Environmental and Sustainability Management system, "One Planet", which is supported by the following policies, strategies and commitments:

- One Planet Strategy
- One Planet Development Plan
- Company Impact Register
- Legislation Register

This system is continually reviewed to ensure it remains aligned to our business objectives. Staffline continues to implement a detailed Environmental and Sustainability Policy. In addition, the Energy Saving Opportunity Scheme ("ESOS") audit results are continually being reviewed and the opportunities highlighted in the report to reduce our environmental impact are being acted upon, which will flow into our One Planet Strategy. This will continue to focus on the following areas:

- Energy Consumption
- Waste
- Travel
- Sustainable Materials

Staffline continues to carry out extensive building audits and 100% energy audits in order to identify areas for improvement and reduce our Co2 footprint. Our Group Chief Executive Officer is responsible for the implementation of this policy and will make the necessary resources available to fulfil our corporate responsibilities. The responsibility for our performance rests with all employees. We continue to be independently assessed and certified by EcoVadis, the international body with the aim of improving environmental and social practices of companies by leveraging the influence of global supply chains.

Staffline has also carried out 100% transport audits including Co2 footprint as a direct result of business miles produced, and Co2 produced from the use of public transport i.e. Train journeys and flights. In conjunction with our online travel booking supplier, Staffline has implemented a Co2 offsetting initiative, whereby Staffline will pay to offset all Co2 produced when using public transport booked through the Group's Travel Management system.

ISO 9001, ISO 27001 and Investors in People ("IIP") accreditations

Our organisation has grown significantly over the last decade, both organically and through acquisition. To ensure that we maintain control over our processes we have renewed our accreditations to both ISO 9001, accreditation for our management systems, and Investors in People ("IIP" – Staffing division), to ensure that we continue to motivate and develop our staff. The PeoplePlus business has achieved ISO 27001 accreditation for the security of its IT systems, which represents an important certification given that we deal with the personal details of many hundreds of thousands of people.

People

Our focus on driving a high-performance culture continues and, as we see our Talent pipeline develop, the Group continues to review succession planning at all levels to support our agility and to enable further growth. As a commercially focused business we regularly review our headcount to ensure that our lean operating model is fit for purpose. The consolidation of headcount across the business at 30 June 2017, shows a permanent workforce total of 2,530 people (not full time equivalents), a net reduction of 74 compared to the 2,604 as at 31 December 2016 (movement includes an increase of 80 relating to acquisitions in Scotland and the Republic of Ireland during the last six months).

Developing our people is key to us as an organisation and we have many ways of encouraging this. Our ethos supports nurturing talent within the business at all levels and encourages self-development which in turn aids succession planning, supporting the strategic growth of the Group. We continue to place great emphasis on the training and development of our people, and we review our training needs on an ongoing basis in line with our vision, values and ambition to be an employer of choice.

Our first Peak Performance Camp was held with senior leaders across the business in February this year, this has resulted in some strategic projects taking place to explore more business opportunities for growth. The Leadership Camp for our delegates will take place in February 2018.

As the Apprenticeship Levy came into force this year, Staffing and PeoplePlus divisions have worked collaboratively to develop our program launch and our first 60 delegates have embarked on a 3-day residential at Nottingham University to kick off on their apprenticeship programs. These apprenticeships are aimed at our first line managers enhancing their skills and capability to be the best they can be, delivering results through others. Our next programme will commence in January 2018.

Health, Safety and Environment

Staffline continues to take a proactive approach to the health, safety and welfare of its employees and contractors. Our commitment to Health and Safety is strong and is demonstrated by the regular reviews taking place by senior management; the outcomes of which are cascaded across the business.

Staffline actively monitors all aspects of Health and Safety using "closed loop management processes". This allows all areas to be identified and documented during the audit process and shows continual development against all Health and Safety action plans with senior management involvement throughout. The Group's Health and Safety management systems are reviewed annually to ensure they remain aligned to the needs of the business and allow the Group to demonstrate that its corporate responsibilities are being appropriately discharged.

Compliance

We take compliance with legislation and industry standards extremely seriously, offering a total commitment to all of our clients ensuring that all of our workers, whether or not they are working in areas covered by the legislation, are recruited and supplied to the standards required by the Gangmasters and Labour Abuse Authority ("GLAA"). Our commitment gives our clients the assurance that all UK ethical and legal standards are met in full and at all times. We operate a confidential helpline for our workers to report any concerns and conduct regular surveys to ensure we are achieving our own high standards. We are a Business Partner, active member and supporter of the "Stronger Together" initiative to help prevent exploitation and trafficking of workers. We are also actively engaged with anti-slavery networks to collaborate to help reduce Modern Slavery taking place in the UK.

Dividend

As an expression of our confidence in the Group's prospects, the Directors propose to increase the interim dividend by 5%, from 10.5p per share in 2016, to 11.0p per share. This dividend will be payable on 14 November 2017 to shareholders on the register at 13 October 2017. The ex-dividend date is 12 October 2017.

Events after the balance sheet date

There were no events between the balance sheet date of 30 June 2017 and the approval of these accounts on 25 July 2017 that require to be bought to the attention of the shareholders.

Related party transactions

Related party transactions are disclosed in note 15 to the condensed set of financial statements.

Going concern

As stated in note 1 to the condensed set of financial statements, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Current Trading and Outlook

The second half of 2017 has started well. Our sales pipeline, which remains significant, will support continued growth. As a result, we are confident on delivering current market expectations for FY 2017.

Furthermore, Staffline continues to work towards its longer term growth ambitions. In the uncertain political climate we remain responsive and focused on adapting to new regulations and government change. Whether this may be the potential changes which the UK's exit from the EU may bring over time, our scale and capabilities mean that organisations increasingly look to Staffline's market leading position to ensure their access to a flexible and efficient workforce.

In addition to driving organic growth, we continue to identify further bolt-on acquisition opportunities, in particular within our Staffing business. We remain in discussions with a number of companies where we see the potential to develop our reach and offering further.

Our PeoplePlus division is making good progress winning new contracts, whilst achieving further operational efficiencies, and we expect it to continue to contribute strongly both financially and operationally in the remainder of 2017 and beyond.

Directors' responsibilities

In preparing the Interim Management Report on pages 1 to 10 and the Condensed set of Financial Statements on pages 11 to 35, the directors have considered their responsibilities for preparing consolidated financial statements in accordance with applicable law and regulations.

The Directors are responsible for preparing the Half Yearly Financial Report, in accordance with applicable laws and regulations. The Directors confirm that to the best of their knowledge:

1. This Condensed set of Financial Statements, which should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016, has been prepared in accordance with AIM Rules for Companies – Part One, Section 18 "Half-yearly reports",

2. The Interim Management Report includes a fair review of the indication of important events during the first six months, and

3. This Condensed set of Financial Statements includes a description of principal risks and uncertainties for the remaining six months of the year and disclosure of related parties' transactions and changes therein.

John Crabtree	Andy Hogarth
Chairman	Chief Executive Officer

26 July 2017

Consolidated statement of comprehensive income

For the six months ended 30 June 2017

	Note	Six month period ended 30 June 2017 Underlying Unaudited £'m	Six month period ended 30 June 2017 Non underlying Unaudited £'m	Six month period ended 30 June 2017 Total Unaudited £'m	(Restated) Six month period ended 30 June 2016 Unaudited £'m	Year ended 31 December 2016 Audited £'m
Continuing operations						
Revenue	2	427.8	-	427.8	414.7	882.4
Cost of sales		(373.7)	-	(373.7)	(352.3)	(757.5)
Gross profit		**54.1**	**-**	**54.1**	**62.4**	**124.9**
Administrative expenses (underlying)		(36.6)	-	(36.6)	(45.7)	(84.9)
Underlying Operating profit, before non-underlying administrative expenses		**17.5**	**-**	**17.5**	**16.7**	**40.0**
Administrative expenses (non-underlying)*	3	-	(9.8)	(9.8)	(3.8)	(17.8)
Operating profit/(loss)	2	**17.5**	**(9.8)**	**7.7**	**12.9**	**22.2**
Finance costs		(1.4)	-	(1.4)	(1.4)	(3.3)
Profit/(loss) for the period before taxation		**16.1**	**(9.8)**	**6.3**	**11.5**	**18.9**
Underlying				*16.1*	*15.3*	*36.7*
Non-underlying*	3			*(9.8)*	*(3.8)*	*(17.8)*
Tax expense	4	(3.2)	0.6	(2.6)	(1.5)	(3.9)
Profit/(loss) from continuing operations		**12.9**	**(9.2)**	**3.7**	**10.0**	**15.0**
Underlying				*12.9*	*12.4*	*29.1*
Non-underlying*	3			*(9.2)*	*(2.4)*	*(14.1)*
Profit after tax on discontinued operations				-	0.7	0.8
Profit for the period				**3.7**	**10.7**	**15.8**
Items that will not be reclassified to the profit and loss account - actuarial gains and losses, net of deferred tax				-	(0.6)	(1.1)
Net profit and total comprehensive income for the period				**3.7**	**10.1**	**14.7**
Earnings per ordinary share	5					
Continuing operations: Basic				14.3p	39.4p	59.1p
Diluted				14.2p	39.1p	58.8p
Discontinued operations: Basic				-	3.0p	3.2p
Diluted				-	2.9p	3.1p
Underlying continuing operations: Basic				50.4p	48.9p	114.7p
Diluted				50.1p	48.5p	114.0p

*the non-underlying result includes amortisation of intangible assets arising on business combinations, business acquisition costs, exceptional reorganisation costs and the non-cash charge/credit for share based payment costs.

The accompanying notes on pages 17 to 35 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the six months ended 30 June 2017

Unaudited

	Share capital £'m	Own shares JSOP £'m	Share premium £'m	Share based payment reserve £'m	Profit and loss account £'m	Total equity £'m
At 1 January 2017 (audited)	**2.8**	**(8.9)**	**39.9**	**0.1**	**49.8**	**83.7**
Dividends (note 5)	-	-	-	-	(3.9)	(3.9)
Vesting of Joint Share Ownership Plan ("JSOP") shares	-	-	-	-	-	-
Issue of new shares - share options exercised	-	-	0.4	-	-	0.4
Transactions with owners	**-**	**-**	**0.4**	**-**	**(3.9)**	**(3.5)**
Profit for the period	-	-	-	-	3.7	3.7
Actuarial gains and losses	-	-	-	-	-	-
Cumulative translation adjustments	-	-	-	-	(0.1)	(0.1)
Total comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**	**3.6**	**3.6**
At 30 June 2017 (unaudited)	**2.8**	**(8.9)**	**40.3**	**0.1**	**49.5**	**83.8**

The accompanying notes on pages 17 to 35 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the six months ended 30 June 2016

Unaudited

	Share capital £'m	Own shares JSOP £'m	Share premium £'m	Share based payment reserve £'m	Profit and loss account (restated – see note 1) £'m	Total equity (restated) £'m
At 1 January 2016 (audited)	**2.8**	**(9.0)**	**39.9**	**0.1**	**39.4**	**73.2**
Dividends (note 5)	-	-	-	-	(3.2)	(3.2)
Vesting of Joint Share Ownership Plan ("JSOP") shares	-	-	-	-	-	-
Share options issued in equity settled share based payments	-	-	-	0.3	-	0.3
Issue of new shares	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**0.3**	**(3.2)**	**(2.9)**
Profit for the period	-	-	-	-	10.7	10.7
Actuarial (losses)	-	-	-	-	(0.6)	(0.6)
Cumulative translation adjustments	-	-	-	-	-	-
Total comprehensive income for the period, net of tax	**-**	**-**	**-**	**-**	**10.1**	**10.1**
At 30 June 2016 (unaudited)	**2.8**	**(9.0)**	**39.9**	**0.4**	**46.3**	**80.4**

The accompanying notes on pages 17 to 35 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2016

Audited

	Share capital £'m	Own shares JSOP £'m	Share premium £'m	Share based payment reserve £'m	Profit and loss account £'m	Total equity £'m
At 1 January 2016	**2.8**	**(9.0)**	**39.9**	**0.1**	**39.4**	**73.2**
Dividends	-	-	-	-	(5.8)	(5.8)
Sale of Joint Share Ownership Plan ("JSOP") shares	-	0.1	-	-	1.4	1.5
Share options issued in equity settled share based payments	-	-	-	0.1	-	0.1
Share options vested in the year	-	-	-	(0.1)	0.1	-
Transactions with owners	**-**	**0.1**	**-**	**-**	**(4.3)**	**(4.2)**
Profit for the year	-	-	-	-	15.8	15.8
Actuarial (losses)	-	-	-	-	(1.1)	(1.1)
Cumulative translation adjustments	-	-	-	-	-	-
Total comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**	**14.7**	**14.7**
At 31 December 2016	**2.8**	**(8.9)**	**39.9**	**0.1**	**49.8**	**83.7**

The accompanying notes on pages 17 to 35 form an integral part of these financial statements.

Consolidated statement of financial position

As at 30 June 2017

	Note	**30 June 2017 Unaudited £'m**	30 June 2016 Unaudited (as restated) £'m	31 December 2016 Audited £'m
Assets				
Non-current assets				
Goodwill	6	94.0	91.5	91.6
Other intangible assets	7	24.3	30.4	25.8
Property, plant and equipment	8	7.4	11.2	8.0
Deferred tax asset	4	0.8	1.1	0.9
		126.5	**134.2**	**126.3**
Current				
Trade and other receivables		105.4	100.9	103.1
Retirement benefit asset	9	1.2	1.9	1.2
Cash and cash equivalents	10	20.0	17.0	19.7
		126.6	**119.8**	**124.0**
Total assets		**253.1**	**254.0**	**250.3**
Liabilities				
Current				
Trade and other payables		96.3	95.1	97.5
Borrowings	11	8.6	11.7	8.6
Other current liabilities (incl. unpaid dividends)		3.9	5.1	0.5
Joint Share Ownership Plan liability		8.1	-	-
Current tax liabilities		2.7	3.5	2.5
		119.6	**115.4**	**109.1**
Non-current				
Borrowings	11	43.5	49.0	47.8
Other non-current liabilities (2016 includes JSOP liability)		2.7	4.6	6.2
Deferred tax liabilities	4	3.5	4.6	3.5
		49.7	**58.2**	**57.5**
Total liabilities		**169.3**	**173.6**	**166.6**
Equity				
Share capital	12	2.8	2.8	2.8
Own shares		(8.9)	(9.0)	(8.9)
Share premium		40.3	39.9	39.9
Share based payment reserve		0.1	0.4	0.1
Profit and loss account		49.5	46.3	49.8
Total equity		**83.8**	**80.4**	**83.7**
Total equity and liabilities		**253.1**	**254.0**	**250.3**

The accompanying notes on pages 17 to 35 form an integral part of these financial statements.

Consolidated statement of cash flows

For the six month period to 30 June 2017

	Note	Six month period to 30 June 2017 Unaudited £'m	Six month period to 30 June 2016 Unaudited (restated) £'m	Year ended 31 December 2016 Audited £'m
Cash flows from operating activities	13	**17.5**	**26.1**	**46.9**
Taxation paid		(3.1)	(1.6)	(5.6)
Taxation received		-	1.6	1.6
Net cash inflow from operating activities		**14.4**	**26.1**	**42.9**
Cash flows from investing activities				
Purchases of property, plant and equipment	8	(0.9)	(3.4)	(3.6)
Proceeds on sale of property, plant and equipment		-	-	-
Purchase of intangible assets - software	7	(0.6)	(0.8)	(3.3)
Acquisition of businesses - cash paid, net of cash acquired		(6.8)	(0.1)	-
Net cash used in investing activities		**(8.3)**	**(4.3)**	**(6.9)**
Cash flows from financing activities:				
New loans (net of transaction fees)		-	8.9	8.9
Loan repayments (June 2016 reclassified – see note below)		(4.4)	(7.5)	(11.9)
Acquisition of businesses - deferred consideration for prior acquisitions (June 2016 reclassified – see note below)		(0.4)	(9.9)	(10.9)
Interest paid		(1.3)	(1.3)	(3.1)
Dividends paid		-	-	(5.8)
Proceeds from sale of Joint Share Ownership Plan shares		-	-	1.5
Settlement of Joint Share Ownership Plan liability		-	-	-
Proceeds from the issue of share capital		0.3	-	-
Net cash flows generated (used in) financing activities		**(5.8)**	**(9.8)**	**(21.3)**
Net change in cash and cash equivalents		**0.3**	**12.0**	**14.7**
Cash and cash equivalents at beginning of period		**19.7**	5.0	5.0
Cash and cash equivalents at end of period	10	**20.0**	17.0	19.7

June 2016 figures above have been reclassified to show the repayment of £8.9m of discounted loan notes under “acquisition of business”, previously shown under “loan repayments”. Disclosures are comparable with the December 2016 year end statutory accounts with no overall change in net cash-flows.

The accompanying notes on pages 17 to 35 form an integral part of these financial statements.

Notes to the summary financial statements

For the half year ended 30 June 2017

1 Interim accounts and accounting policies

Staffline Group plc, a Public Limited Company, is incorporated and domiciled in the United Kingdom.

The unaudited interim Group financial statements for the six month period ended 30 June 2017 (including the comparatives for the six month period ended 30 June 2016 and the year ended 31 December 2016) were approved by the board of directors on 25 July 2017. Under the Security Regulations Act of the EU, amendments to the financial statements are not permitted after they have been approved.

It should be noted that accounting estimates and assumptions are used in the preparation of the interim financial information. Although these estimates are based on management's best knowledge and judgement of current events, actual results may ultimately differ from those estimates. The unaudited interim Group financial statements have been prepared using the accounting policies as described in the December 2016 audited year-end financial statements and have been consistently applied.

The interim Group financial information contained within this report does not constitute statutory accounts as defined in the Companies Act 2006, section 434. The full accounts for the year ended 31 December 2016 received an unqualified report from the auditors and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies.

Basis of preparation

The unaudited interim Group financial statements, which should be read in conjunction with the audited Annual financial statements for the year ended 31 December 2016, have been prepared in accordance with AIM Rules for Companies – Part One, Section 18 "Half-yearly reports".

The interim Group financial statements consolidate those of the parent company and all of its subsidiaries as at 30 June 2017. Subsidiaries are all entities to which the Group is exposed, or has rights, to variable returns and has the ability to affect those returns through power over the subsidiary. All Staffing division subsidiary interim accounts are prepared to the nearest Sunday to 30 June, so 2017 accounts are for the 26 weeks ended 2 July 2017, 2016 accounts being for the 26 weeks ended 3 July 2016. All PeoplePlus subsidiaries have an interim reporting date of 30 June 2017 (2016: 30 June 2016).

The consolidated Group financial statements have been prepared on a going concern basis using the significant accounting policies and measurement bases summarised in the December 2016 audited year-end financial statements, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements are prepared under the historical cost convention except for contingent consideration and cash settled share options which are measured at fair value. The consolidated financial statements are presented in sterling, which is also the functional currency of the parent company.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

Impact of future amendments to IFRS

The Group are currently undertaking a project to identify the impact of IFRS15, Revenue from Contracts with Customers and IFRS 9, Financial Instruments. Both new standards have effective dates of 1 January 2018. An update will be provided in our December 2017 Annual Report.

Prior year adjustment: June 2016 Consolidated Statement of Financial Position (see note 6)

During the year end 31 December 2015, the Group acquired the entire share capital of A4e Limited (April 2015) and Milestone Operations Limited (September 2015). In accordance with IFRS 3 Business Combinations, the directors made an initial assessment of the fair values of the acquired assets and liabilities, resulting in Goodwill assets of £15.6m and £3.0m, respectively, being created in the consolidated statement of financial position. During the year ended 31 December 2016, the Directors undertook a review of the provisional fair values, with adjustments being reflected within the carrying value of Goodwill as at the acquisition date.

Net adjustments of £0.9m for A4e Limited and £1.3m for Milestone Operations Limited were made during the year, increasing the respective Goodwill assets, shown as a prior year restatement of the June 2016 Consolidated Statement of Financial Position. Principally this related to the non-recoverability of trade debtors and adjustments to the provision for onerous property leases and other liabilities. Net assets are unaffected by these adjustments.

Prior year adjustment: June 2016 Consolidated Statement of Financial Position and Statement of Changes in Equity

On 19 May 2016, the Company's AGM approved the payment of a final dividend of 12.5p for the year ended 31 December 2015, totalling £3.2m, to be paid to shareholders on 5 July 2016. The June 2016 interim accounts did not accrue this dividend. As it had been declared and approved prior to the period end, the June 2016 Consolidated Statement of Financial Position and Statement of Changes in Equity for the six months have been restated accordingly. June 2016 net assets have therefore been reduced by £3.2m. There is no effect on the 2016 annual figures.

Prior year adjustment: June 2016 Consolidated Statements of Comprehensive Income and Financial Position (see note 6)

In April 2016, the Group disposed of its interests in PeoplePlus Enterprises Pty Limited ("A4e Australia"). June 2016 reported financial statements included the disposal of £0.8m of Goodwill relating to A4e Australia. This was reversed in the second half of the year as deemed to relate to the PeoplePlus cash generating unit and thus not disposed of. Consequently, June 2016 Comprehensive income and Goodwill/net assets have both been increased by £0.8m. There is no effect on the 2016 annual figures.

2 Segmental reporting

Management currently identifies two operating segments: the provision of recruitment and outsourced human resource services to industry ('Staffing Services') and the provision of welfare to work services, skills training and probationary services - collectively this segment is called 'PeoplePlus'. These operating segments are monitored by the Chief Operating Decision Maker, the Group's Board, and strategic decisions made on the basis of segment operating results.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

2 Segmental reporting (continued)

Segment information for the reporting half year is as follows:

	Staffing Services Six months ended 30 June 2017 Unaudited £'m	**PeoplePlus Six months ended 30 June 2017 Unaudited £'m**	**Total Group Six months ended 30 June 2017 Unaudited £'m**	Staffing Services Six months ended 30 June 2016 (restated) Unaudited £'m	PeoplePlus Six months ended 30 June 2016 (restated) Unaudited £'m	Total Group Six months ended 30 June 2016 (restated) Unaudited £'m
Segment continuing operations:						
Revenue from external customers	369.9	57.9	427.8	336.7	78.0	414.7
Cost of sales	(340.6)	(33.1)	(373.7)	(310.1)	(42.2)	(352.3)
Segment gross profit	**29.3**	**24.8**	**54.1**	**26.6**	**35.8**	**62.4**
Administrative expenses (underlying)	(20.8)	(13.6)	(34.4)	(19.4)	(23.9)	(43.3)
Depreciation, software amortisation (underlying)	(0.4)	(1.8)	(2.2)	(0.4)	(2.0)	(2.4)
Segment underlying operating profit*	**8.1**	**9.4**	**17.5**	**6.8**	**9.9**	**16.7**
Administrative expenses - share based payment (charge)/credit	(5.0)	-	(5.0)	2.6	-	2.6
Administrative expenses – reorganisation costs	-	-	-	-	-	-
Administrative expenses – business acquisition costs	-	-	-	-	-	-
Amortisation of intangible assets arising on business combinations	(0.9)	(3.9)	(4.8)	(1.2)	(5.2)	(6.4)
Segment operating profit	**2.2**	**5.5**	**7.7**	**8.2**	**4.7**	**12.9**
Finance costs	(1.4)	-	(1.4)	(1.4)	-	(1.4)
Profit for the period before taxation	**0.8**	**5.5**	**6.3**	**6.8**	**4.7**	**11.5**
Tax expense	(1.6)	(1.0)	(2.6)	(0.9)	(0.6)	(1.5)
Net profit/(loss) for the period	**(0.8)**	**4.5**	**3.7**	**5.9**	**4.1**	**10.0**
Total non-current assets	74.1	52.4	126.5	46.5	87.7	134.2
Total current assets	99.3	27.3	126.6	85.9	33.9	119.8
Total assets	173.4	79.7	253.1	132.4	121.6	254.0
Total liabilities	146.9	22.4	169.3	139.8	33.8	173.6
Capital expenditure inc software	0.7	0.8	1.5	0.4	3.8	4.2

* Segment underlying operating profit before amortisation of intangible assets arising on business combinations, business acquisition costs and the non-cash charge/credit for share based payment costs.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

2 Segmental reporting (continued)

Segment information for the year ended 31 December 2016 is as follows:

	Staffing Services Year ended 31 December 2016 Audited £'m	PeoplePlus Year ended 31 December 2016 Audited £'m	Total Group Year ended 31 December 2016 Audited £’m
Segment continuing operations:			
Sales revenue from external customers	740.8	141.6	882.4
Cost of sales	(679.5)	(78.0)	(757.5)
Segment gross profit	**61.3**	**63.6**	**124.9**
Administrative expenses (underlying)	(41.8)	(38.2)	(80.0)
Depreciation, software amortisation (underlying)	(0.7)	(4.2)	(4.9)
Segment underlying operating profit*	**18.8**	**21.2**	**40.0**
Administrative expenses - share based payment credit	2.9	-	2.9
Administrative expenses – reorganisation costs	(0.2)	(8.0)	(8.2)
Administrative expenses – business acquisition costs	(0.1)	-	(0.1)
Amortisation of intangible assets arising on business combinations	(1.7)	(10.7)	(12.4)
Segment operating profit	**19.7**	**2.5**	**22.2**
Finance costs	(3.1)	(0.2)	(3.3)
Segment profit before taxation	**16.6**	**2.3**	**18.9**
Tax expense	(2.8)	(1.1)	(3.9)
Segment profit from continuing operations	**13.8**	**1.2**	**15.0**
Total non-current assets	68.7	57.6	126.3
Total current assets	95.9	28.1	124.0
Total assets	164.6	85.7	250.3
Total liabilities	139.6	27.0	166.6
Capital expenditure inc software	1.4	5.5	6.9

*Segment underlying operating profit before amortisation of intangible assets arising on business combinations, business acquisition costs, the non-cash charge/credit for share based payment costs and exceptional reorganisation costs.

All head office costs are allocated to the Staffing Services division in the above results. This results from the historical nature of the Group with the PeoplePlus division only being acquired in the past couple of years and reflects where the costs are predominantly incurred.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

2 Segmental reporting (continued)

During the six month period to 30 June 2017, two customers in the Staffing Services segment contributed greater than 10% of the Group's revenue of £427.8m, being, in total, 24.0% (£88.8m) of that segment's revenues (six months to 30 June 2016: one customer being 12.6% or £42.5m); the amount receivable from these two customers at 30 June 2017 is £13.1m (30 June 2016: one customer £10.8m).

During the six month period to 30 June 2017, the PeoplePlus segment had no customer contributing more than 10% of the Group's revenue (30 June 2016: one, being 59.8% (£46.6m) of that segment's revenues; amount receivable from this customer at 30 June 2016 was £16.1m).

3 Administrative expenses (non-underlying)

	Six months ended 30 June 2017 Unaudited £'m	Six months ended 30 June 2016 Unaudited £'m	Year ended 31 December 2016 Audited £'m
Included within administrative expenses are the following non underlying costs			
Amortisation of intangible assets arising on business combinations (licences, customer contracts)	4.8	6.4	12.4
Share based payment charges/(credits)	5.0	(2.6)	(2.9)
Business acquisition costs	-	-	0.1
Reorganisation costs	-	-	6.6
Impairment of tangible fixed assets (reorganisation related)	-	-	1.6
	9.8	**3.8**	**17.8**
Tax credit on above non underlying costs (note 4)	0.6	1.4	3.7
Post taxation effect on above non underlying costs	9.2	2.4	14.1

Reorganisation costs in 2016 are the exceptional restructuring costs of forming the PeoplePlus division.

The share based payment charge of £5.0m during the period (H1 2016: credit of £2.6m) was due to a 56% increase in the Company's share price during the six month period (30 June 2017: £13.20 per share, 31 December 2016: £8.44 per share).

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

4 Taxation

	Six months ended 30 June 2017 Unaudited £'m	Six months ended 30 June 2016 Unaudited £'m	Year ended 31 December 2016 Audited £'m
Taxation charge – underlying profits			
Corporation tax	3.1	3.1	7.8
Deferred tax	0.1	(0.2)	(0.2)
	3.2	**2.9**	**7.6**
Taxation (credit) – non underlying profits			
Corporation tax	-	-	(1.3)
Deferred tax	(0.6)	(1.4)	(2.4)
	(0.6)	**(1.4)**	**(3.7)**
Total tax charge	**2.6**	**1.5**	**3.9**
% underlying tax charge	19.9%	19.0%	20.7%
% UK corporation tax composite rate	19.5%	20.0%	20.0%
Deferred tax balances at period end			
Assets			
Capital allowances	0.8	1.0	0.8
Share based payment liability	-	0.1	0.1
	0.8	**1.1**	**0.9**
Liabilities			
Acquired intangible assets	3.3	4.4	3.3
Retirement benefits	0.2	0.2	0.2
	3.5	**4.6**	**3.5**
Deferred tax increase/(reduction) in the period	**0.1**	**(1.7)**	**(2.6)**
Being:			
(Credit) to profit – see underlying and non-underlying above	(0.5)	(1.6)	(2.6)
Acquired intangible assets in period (see note 6)	0.6	-	-
Others	-	(0.1)	-
	0.1	**(1.7)**	**(2.6)**

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

5 Earnings per share and dividends

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period, after deducting any shares held in the Joint Share Ownership Plan or "JSOP" – "own shares". The calculation of the diluted earnings per share is based on the basic earnings per share adjusted to take into account the potential issue of ordinary shares resulting from share options granted to certain senior executives.

Details of the earnings and weighted average number of shares used in the calculations are set out below:

	Basic six month period ended 30 June 2017 Unaudited	Basic six month period ended 30 June 2016 (restated) Unaudited	Basic Year ended 31 December 2016 Audited	**Diluted six month period ended 30 June 2017 Unaudited**	Diluted six month period ended 30 June 2016 (restated) Unaudited	Diluted Year ended 31 December 2016 Audited
Earnings from continuing operations (£'m)	**3.7**	10.0	15.0	**3.7**	10.0	15.0
Earnings from discontinued operations (£'m)	**-**	0.7	0.8	**-**	0.7	0.8
Weighted average number of shares 000	**25,614**	25,359	25,367	**25,729**	25,565	25,520
Earnings per share (pence):						
Continuing operations	**14.3p**	39.4p	59.1p	**14.2p**	39.1p	58.8p
Discontinued operations	**-**	3.0p	3.2p	**-**	2.9p	3.1p
Underlying Earnings from continuing operations (£'m)*	**12.9**	12.4	29.1	**12.9**	12.4	29.1
Underlying earnings per share (pence)*	**50.4p**	48.9p	114.7p	**50.1p**	48.5p	114.0p

*Underlying earnings after adjusting for amortisation of intangible assets arising on business combinations, share based payment charges/(credits), business acquisition costs and reorganisation costs including the tax effect.

The weighted average number of shares has been increased by 247,000 shares, on a basic (undiluted basis), since 31 December 2016 to take account of the full year effect of the 170,000 shares sold by the Employee Benefit Trust in December 2016 (being JSOP shares no longer required) and 100,000 shares issued in January 2017 to satisfy shares granted on options that vested to Diane Martyn, a director of the company.

Dividends

During the 6 month period to 30 June 2017, Staffline Group plc paid no dividends to its equity shareholders (H1 2016: £nil). Dividends totalling £5.8m or 23.0p per share were paid during the year ended 31 December 2016.

A final dividend in respect of the 2016 financial year totalling £3.9m (2016: £3.2m, being the final 2015 dividend) has been declared and was approved at the Company's AGM in May 2017 and has therefore been accrued within these financial statements. This represents a payment of 15.3p per share (2016: 12.5p) and was paid in July 2017 (2016: paid in July 2016). An interim dividend for 2017 of 11.0p per share (2016: 10.5p) is proposed for payment in November 2017, totalling £2.8m, but has not been accrued within these financial statements.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

6 Goodwill

Gross carrying amount	Division	Total Restated – see note 1 £'m
At 1 July 2016 as reported		**88.5**
Fair value adjustments – A4E Limited	PeoplePlus	0.9
Fair value adjustments – Milestone Operations Limited	Staffing	1.3
Reversal of A4e Australia disposal adjustment made in first half of the year	PeoplePlus	0.8
At 1 July 2016 as restated		**91.5**
Additions – Paragon Training (NI) Limited	PeoplePlus	0.1
At 31 December 2016		**91.6**
Additions – Driver & Labour Recruit Limited	Staffing	-
Additions – Brightwork Limited	Staffing	2.4
At 30 June 2017		**94.0**

The breakdown of Goodwill carrying value by division is listed below:

	30 June 2017 £'m	30 June 2016 £'m	31 December 2016 (restated) £'m
Staffing Services division	37.1	34.7	34.7
PeoplePlus division	56.9	56.8	56.9
Total	**94.0**	**91.5**	**91.6**

Management consider there to be two cash generating units (in line with the business segments defined in note 2) and have tested these two cash generating units for impairment. Significant headroom arose on the testing and consequently no impairment charges have been made.

6 Goodwill (continued)

On 5th March 2017, the Staffing Services division of the Group acquired 100% of the issued ordinary share capital of Driver & Labour Recruit Limited, a staffing recruitment company trading as Oak Recruitment in the Republic of Ireland. On 15th May 2017, the Staffing Services division of the Group acquired 100% of the issued share ordinary capital of Brightwork Limited, a staffing recruitment company based in Scotland. Based on initial figures, all subject to further fair value review, a summary of the acquisitions is as follows:

	Oak Recruitment		Brightwork Limited	
	£'m	£'m	£'m	£'m
Initial consideration		0.3		2.5
Deferred consideration		-		2.7
Contingent consideration (estimated)		0.3		-
Total consideration		**0.6**		**5.2**
Fixed assets (tangible and intangible)	-		0.2	
Cash, overdrafts and financing facilities	(0.3)		(3.7)	
Debtors	0.9		7.2	
Creditors	(0.4)		(3.1)	
Other creditors including tax	-		-	
Total assets acquired (entity)		0.2		0.6
Goodwill asset acquired		-		2.4
Intangible asset acquired		0.5		2.7
Deferred tax liability on intangible asset acquired		(0.1)		(0.5)
Total net assets acquired		**0.6**		**5.2**
Results post acquisition:				
Turnover		2.3		4.8
Pre-tax profit/result		0.1		-

If the acquisitions of Oak Recruitment and Brightwork Limited had occurred on 1 January 2017, the Group's revenues and profit after tax for the period ended 30 June 2017 would have been £440.5m and £3.7m respectively.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

7 Other Intangible assets

The Group's other intangible assets include the customer contracts and lists obtained through the acquisition of the companies in note 6 above plus the acquisition of a software licence obtained in 2013 and acquired software since 2015. There are no intangible assets with restricted title.

As at 30 June 2017, there are six individually material other intangible assets:

i. Customer contracts in A4E Limited. The carrying value of the asset is £9.9m (31 December 2016: £12.7m) which is being amortised over the remaining life of the main contract, 21 months.
ii. Customer contracts in Milestone Operations Limited. The carrying value of the asset is £3.1m (31 December 2016: £3.6m) which is being amortised over 5 years.
iii. Software developed for the Ministry of Justice contract. The carrying value of the asset is £2.9m (31 December 2016: £2.9m) which is being amortised over 5 years.
iv. Customer contracts in Brightwork Limited. The carrying value of the asset is £2.6m (31 December 2016: £nil) which is being amortised over 5 years.
v. Software developed for the Work Programme contract. The carrying value of the asset is £2.0m (31 December 2016: £2.4m) which is being amortised over 4 years.
vi. Customer contracts in Diamond Recruitment Group. The carrying value of the asset is £1.9m (31 December 2016: £2.2m) which is being amortised over 5 years.

	Software £'m	Licenses £'m	Customer contracts £'m	Customer lists £'m	Total £'m
Gross carrying amount					
At 1 July 2016	**6.4**	**2.0**	**45.4**	**5.5**	**59.3**
Additions	2.5	-	-	-	2.5
At 1 January 2017	**8.9**	**2.0**	**45.4**	**5.5**	**61.8**
Additions	0.6	-	-	-	0.6
Additions through business combinations	-	-	3.2	-	3.2
Transfer from property, plant and equipment	0.3	-	-	-	0.3
At 30 June 2017	**9.8**	**2.0**	**48.6**	**5.5**	**65.9**
Amortisation					
At 1 July 2016	**1.6**	**1.8**	**20.0**	**5.5**	**28.9**
Charged in the period	1.1	0.2	5.8	-	7.1
At 1 January 2017	**2.7**	**2.0**	**25.8**	**5.5**	**36.0**
Charged in the period	0.8	-	4.8	-	5.6
At 30 June 2017	**3.5**	**2.0**	**30.6**	**5.5**	**41.6**
Net book value					
At 30 June 2017	**6.3**	**-**	**18.0**	**-**	**24.3**
At 31 December 2016	**6.2**	**-**	**19.6**	**-**	**25.8**
At 30 June 2016	**4.8**	**0.2**	**25.4**	**-**	**30.4**

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

8 Property, plant and equipment

	Land and buildings £'m	Computer equipment £'m	Fixtures and fittings £'m	Motor vehicles £'m	Total £'m
Gross carrying amount					
At 1 July 2016	**5.3**	**8.5**	**4.6**	**0.2**	**18.6**
Additions	-	0.1	0.1	-	0.2
Disposals	(0.1)	-	(0.1)	(0.1)	(0.3)
At 1 January 2017	**5.2**	**8.6**	**4.6**	**0.1**	**18.5**
Additions	-	0.8	0.1	-	0.9
Additions - business combinations	-	0.1	0.1	-	0.2
Disposals	-	(0.9)	(2.4)	-	(3.3)
Transfer to other intangible assets*	-	(0.3)	-	-	(0.3)
At 30 June 2017	**5.2**	**8.3**	**2.4**	**0.1**	**16.0**
Depreciation					
At 1 July 2016	**1.4**	**3.8**	**2.1**	**0.1**	**7.4**
Charge for the period - operating	0.3	0.9	0.3	-	1.5
Charge for the period - impairment	-	1.3	0.3	-	1.6
At 1 January 2017	**1.7**	**6.0**	**2.7**	**0.1**	**10.5**
Charged for the period	0.3	0.9	0.2	-	1.4
Disposals	-	(0.9)	(2.4)	-	(3.3)
At 30 June 2017	**2.0**	**6.0**	**0.5**	**0.1**	**8.6**
Net book value					
At 30 June 2017	**3.2**	**2.3**	**1.9**	**-**	**7.4**
At 31 December 2016	**3.5**	**2.6**	**1.9**	**-**	**8.0**
At 30 June 2016	**3.9**	**4.7**	**2.5**	**0.1**	**11.2**

* Acquired Software assets previously disclosed as Computer Equipment were reclassified as Intangible Software assets during the six months ended 30 June 2017.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

9 Retirement benefit asset

One of the Group's subsidiaries operates a defined benefit pension scheme for its staff. The scheme is closed to new entrants. The last actuarial valuation of the scheme was at 31 July 2016.

The amounts recognised in the balance sheet are determined as follows:

	30 June 2017 £'m	30 June 2016 £'m	31 December 2016 £'m
Fair value of plan assets (see below)	9.2	8.6	9.0
Present value of funded obligations (see below)	(8.0)	(6.7)	(7.8)
Asset in the balance sheet	**1.2**	**1.9**	**1.2**
% funding	115%	128%	115%
Bonds (61% of assets as at 30 June 2017)	5.7	5.2	5.3
Equities (38% of assets as at 30 June 2017)	3.4	2.7	3.2
Cash (1% of assets as at 30 June 2017)	0.1	0.7	0.5
Fair value of plan assets	**9.2**	**8.6**	**9.0**
Active members	1.6	1.3	1.4
Deferred members	5.8	5.0	5.9
Unsecured pensioners	0.6	0.4	0.5
Present value of funded obligations	**8.0**	**6.7**	**7.8**
Membership numbers: active	25	32	26
Membership numbers: total	274	277	275
The assumptions used in the valuations above are as follows:			
Price inflation (RPI)	3.3%	2.9%	3.3%
Price inflation (CPI)	2.5%	2.1%	2.5%
Pensionable salary increases	3.3%	2.9%	3.3%
Future pension increases for leavers	3.3%	2.9%	3.3%
Liability discount rate (yield on AA corporate bonds)	2.8%	3.1%	2.9%

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

10 Cash and cash equivalents

	30 June 2017 £'m	30 June 2016 £'m	31 December 2016 £'m
Cash and cash equivalents	20.0	17.0	19.7
Bank overdraft	-	-	-
Cash and cash equivalents per cash flow statement	**20.0**	**17.0**	**19.7**

Cash and cash equivalents consist of cash on hand and balances with banks only. At 30 June 2017, £20.0m (30 June 2016: £17.0m) of cash on hand and balances with banks were held by subsidiary undertakings but these balances are available for use by the Company, Staffline Group plc. £0.3m (30 June 2016: £0.4m) of the half year-end cash balance was held at the Bank of Ireland, outside of the group overdraft facility with Lloyds Banking Group and HSBC Bank. A further £0.1m (30 June 2016: £0.5m) of the half year-end cash balance was held with Lloyds Banking Group but outside of the Group overdraft facility.

Long term credit ratings for the three banks are currently as follows:

	Fitch	Standard & Poors	Moody's
HSBC Bank	AA-	AA-	Aa2
Lloyds Banking Group	A+	BBB+	Baa1
Bank of Ireland	BBB-	BBB	Baa1

The group's banking facility headroom versus available bank facilities is as follows:

	30 June 2017 £'m	30 June 2016 £'m	31 December 2016 £'m
Cash and cash equivalents	20.0	17.0	19.7
Less: held outside of Group overdraft facility	(0.4)	(0.9)	-
Overdraft facility	15.0	15.0	15.0
Additional Revolving Credit Facility	7.5	7.5	7.5
Bank guarantee	(0.4)	(0.7)	(0.4)
Banking Facility Headroom	**41.7**	**37.9**	**41.8**

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

11 Borrowings

	30 June 2017 £'m	30 June 2016 £'m	31 December 2016 £'m
Current liabilities:			
Term loan	8.8	11.9	8.8
Unamortised transaction costs	(0.2)	(0.2)	(0.2)
Bank overdraft	-	-	-
	8.6	**11.7**	**8.6**
Non-current liabilities:			
Revolving credit facility	35.0	35.0	35.0
Term loan	8.7	14.3	13.1
Unamortised transaction costs	(0.2)	(0.3)	(0.3)
	43.5	**49.0**	**47.8**
Total borrowings	**52.1**	**60.7**	**56.4**
Total borrowings excluding unamortised transaction costs	52.5	61.2	56.9
Less: Cash and cash equivalents (note 10)	20.0	17.0	19.7
Net debt as disclosed in consolidated statement of cash flows (note 13)	**32.5**	**44.2**	**37.2**

The term loan and revolving credit facility ("RCF") are secured by a debenture over all the assets of the Group.

A term loan of £35.0m was drawn down in June 2015 as part of the A4e acquisition. The loan is repayable quarterly and matures in 2019. Interest accrues on the loan at between 1.4% and 2.4% plus LIBOR, depending upon the level of adjusted leverage as defined in the banking covenants.

The revolving credit facility of £35.0m is repayable in 2019 and interest accrues at the same rate as the term loan. In 2016, the group secured a further £7.5m of working capital facility, available to be drawn down with two days' notice (not included in the borrowings above as not drawn down as at either 30 June 2017, 31 December 2016 or 30 June 2016).

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

12 Share capital

	30 June 2017 Unaudited £'m	30 June 2016 Unaudited £'m	31 December 2016 Audited £'m
Authorised			
30,000,000 ordinary 10p shares	**3.000**	3.000	3.000
Allotted and issued			
27,849,389 (June and December 2016: 27,749,389) ordinary 10p shares	**2.785**	**2.775**	2.775

	Six months ended 30 June 2017 000	Six months ended 30 June 2016 000	Year ended 31 December 2016 000
Shares issued and fully paid at the beginning of the period	**27,749**	27,749	27,749
Shares issued during the period	100	-	-
Shares issued and fully paid at end of period	**27,849**	27,749	27,749
Shares authorised but unissued	2,151	2,251	2,251
Total equity shares authorised at end of period	**30,000**	30,000	30,000

As set out in note 15 ("Related Party Transactions"), 100,000 ordinary shares were issued on 27 January 2017 to satisfy share options granted to Diane Martyn, a director of the Company. All ordinary shares have the same rights and there are no restrictions on the distribution of dividends or repayment of capital with the exception of the 2,220,400 shares (31 December 2016: 2,220,400 shares; 30 June 2016: 2,390,400 shares) held by the Employee Benefit Trust where the right to dividends has been waived.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

13 Cash flows from operating activities

	Six month period ended 30 June 2017 Unaudited £'m	Six month period ended 30 June 2016 Unaudited £'m	Year ended 31 December 2016 Audited £'m
Profit before taxation	6.3	11.5	18.9
Adjustments for:			
Operating loss on discontinued operations	-	-	(0.2)
Finance costs	1.4	1.4	3.3
Depreciation, loss on disposal and amortisation - underlying	2.2	2.4	5.1
Depreciation, loss on disposal and amortisation – non underlying	4.8	6.3	14.0
Operating profit before changes in working capital and share options	**14.7**	**21.6**	**41.1**
Change in trade and other receivables	5.8	15.9	13.2
Change in trade, other payables and provisions	(8.0)	(8.8)	(4.5)
Cash generated from operations	**12.5**	**28.7**	**49.8**
Employee cash settled share options (non-cash charge/(credit))	5.0	(2.6)	(2.9)
Employee equity settled share options	-	-	-
Net cash inflow from operating activities	**17.5**	**26.1**	**46.9**

Movement in net debt	**£'m**	**£'m**	**£'m**
Net debt at beginning of the period (excluding transaction fees)	(37.2)	(63.7)	(63.7)
Acquired debt	-	-	-
Unwinding of discount on loan notes	-	-	(0.1)
Loan repayments	4.4	7.5	11.9
Change in cash and cash equivalents	0.3	12.0	14.7
Net debt at end of period (excluding transaction fees)	**(32.5)**	**(44.2)**	**(37.2)**

Represented by:	**£'m**	**£'m**	**£'m**
Cash and cash equivalents (note 10)	20.0	17.0	19.7
Current borrowings (note 11)	(8.6)	(11.7)	(8.6)
Non-current borrowings (note 11)	(43.5)	(49.0)	(47.8)
Net debt including transaction fees	**(32.1)**	**(43.7)**	**(36.7)**
Transaction fees	(0.4)	(0.5)	(0.5)
Net debt at end of period (excluding transaction fees)	**(32.5)**	**(44.2)**	**(37.2)**

Non-cash items above represent employees cash settled share options, the unwinding of the discount on loan notes and the movement of transaction costs in relation to debt issue fees.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

14 Principal risks and uncertainties

The UK Listing Authority's Disclosure and Transparency Rules requires a description of the principal risks and uncertainties for the remaining six months of the year. The directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 31 December 2016. A detailed explanation of the risks summarised below, and how the Group seeks to mitigate the risks, can be found on pages 19 to 21 of the 31 December 2016 Annual Report which is available at www.staffline.co.uk.

Strategic and market related

- ***Shortage of staffing resource:*** With UK unemployment rates falling below 5% and issues around Brexit and foreign labour, there is a risk that our Staffing division will not be able to obtain sufficient resource to fulfil its contractual obligations. In addition, there is an industry wide shortage of qualified drivers with, as above, the risk that our Staffing division will not be able to obtain sufficient resource to fulfil its contractual obligations.
- ***UK's proposed exit from the European Union*:** The referendum vote in June 2016 has led to the UK's decision to leave the EU which creates uncertainty around the free movement of labour between the EU and the UK. The overall impact on the UK economy is uncertain, which in itself is a risk to the group.

Operational and Compliance

- ***Business Interruption – information security breach or cyber-attack:***

    a. Major IT failure - As with all large scale businesses, including those in the market sectors in which we operate, we are reliant on our IT systems to support and operate our business.
    b. Business Interruption – Breach of data security (Cyber-Crime) - The Group holds sensitive personal information in respect of temporary workers, participants of our various PeoplePlus contracts, and our own staff. There is increased evidence of cyber-crime. Breaches or attacks could lead to potential reputational damage with a potential resultant loss of revenue, financial penalties for the Group and diversion of management time.

Financial

- ***Compliance with banking facility agreements*:** The Group has a number of covenants both of a financial and information undertaking nature. Breaking any one of these covenants can technically trigger an acceleration payment of the group's debt facilities.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

15 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

There were no material transactions with Directors of the Company during the period, except for those relating to remuneration, the exercising of share options and share sales as noted below:

On 27 January 2017 the Company issued 100,000 new ordinary shares of 10p each in the capital of the Company (“the New Shares”) following an exercise of share options by Diane Martyn, Group Managing Director, at a price of 348.6 pence per ordinary share. On 27 January 2017 Diane Martyn sold 100,000 ordinary shares of 10p each in the capital of the Company at an average price of 1,032.5 pence per ordinary share.

On 14 March 2017 Andy Hogarth, Chief Executive Officer, sold 55,000 ordinary shares of 10p each in the capital of the Company at an average price of 1,150.0 pence per ordinary share.

Excluding interests in share options (Chris Pullen, Chief Financial Officer) and Joint Share Ownership Plans (Andy Hogarth and Diane Martyn), which are fully disclosed in the 2016 Annual Report, the beneficial holdings of the directors in the Company’s issued share capital at 30 June 2017 is as follows:

	Ordinary shares of 10p each	% of total in issue
Andy Hogarth	1,513,629	5.4%
John Crabtree	20,250	0.1%
Diane Martyn	3,750	-
Chris Pullen	12,000	-
	1,549,629	**5.6%**

In addition, a pension fund established for the benefit of Andy Hogarth holds 46,875 shares in the Company.

Notes to the summary financial statements (continued)

For the half year ended 30 June 2017

16 Note on the unaudited interim accounts

The unaudited interim accounts are prepared for and addressed only to the Company's shareholders as a whole and to no other person. The Company, its Directors, employees, agents and advisers accept and assume no liability to any person in respect of this trading update save as would arise under English law. Statements contained in this trading update are based on the knowledge and information available to the Group's Directors at the date it was prepared and therefore facts stated and views expressed may change after that date.

Forward looking statements

This document and any materials distributed in connection with it may include forward-looking statements, beliefs, opinions or statements concerning risks and uncertainties, including statements with respect to the Group's business, financial condition and results of operations. Those statements and statements which contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning, reflect the Group's Directors' beliefs and expectations and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and which may cause results and developments to differ materially from those expressed or implied by those statements and forecasts. No representation is made that any of those statements or forecasts will come to pass or that any forecast results will be achieved. You are cautioned not to place any reliance on such statements or forecasts. Those forward-looking and other statements speak only as at the date of this trading update. The Group undertakes no obligation to release any update of, or revisions to, any forward-looking statements, opinions (which are subject to change without notice) or any other information or statement contained in this trading update. Furthermore, past performance of the Group cannot be relied on as a guide to future performance.

No statement in this document is intended as a profit forecast or a profit estimate and no statement in this document should be interpreted to mean that earnings per Staffline Group plc share for the current or future financial years would necessarily match or exceed the historical published earnings per Staffline Group plc share.

Nothing in this document is intended to constitute an invitation or inducement to engage in investment activity. This document does not constitute or form part of any offer for sale or subscription of, or any solicitation of any offer to purchase or subscribe for, any securities nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract, commitment or investment decision in relation thereto. This document does not constitute a recommendation regarding any securities.

Staffline Group plc

Group five year summary (unaudited)

Financial reporting half years ended 30th June £'m						
	2017	**2016 (restated)**	**2015 (restated)**	**2014**	**2013**	**5 year % compound annual growth**
Comprehensive income (6 months)						
Turnover	427.8	414.7	297.2	208.1	187.2	23%
Underlying operating profit	17.5	16.7	10.9	6.6	5.1	36%
% margin	4.1%	4.0%	3.7%	3.2%	2.7%	
Reported operating profit	7.7	12.9	1.6	2.1	3.6	
Net profit/(loss) after taxation	3.7	10.1	(0.6)	1.5	2.5	
Underlying diluted earnings per share	50.1p	48.5p	32.2p	22.2p	17.0p	31%
Declared dividend per share	11.0p	10.5p	7.5p	5.0p	3.8p	30%
Dividend cover v underlying diluted	4.6x	4.6x	4.3x	4.4x	4.5x	
Financial position (half year end)						
Goodwill	94.0	91.5	89.5	47.5	31.0	
Intangible assets	24.3	30.4	14.1	33.5	2.1	
Property, plant and equipment	7.4	11.2	16.2	3.9	2.1	
Trade and other receivables	105.4	100.9	97.4	79.8	55.8	
Cash and cash equivalents	20.0	17.0	20.1	10.7	4.9	
Trade and other payables	(96.3)	(95.1)	(88.4)	(63.9)	(42.8)	
Borrowings (exc deal fees)	(52.5)	(61.2)	(69.9)	(37.4)	(7.6)	
Deferred tax net (liability)/asset	(2.7)	(3.5)	(1.7)	(4.9)	(0.2)	
Other (net liabilities)	(15.8)	(10.8)	(13.1)	(6.6)	(2.6)	
Net assets	**83.8**	**80.4**	**64.2**	**62.6**	**42.7**	
Net (debt)/cash (exc deal fees)	(32.5)	(44.2)	(49.8)	(26.7)	(2.7)	
Goodwill, intangibles	118.3	121.9	103.6	81.0	33.1	
Other net assets	(2.0)	2.7	10.4	8.3	12.3	
Cash flows (6 months)						
Underlying operating profit	17.5	16.7	10.9	6.6	5.1	
Non–underlying cash costs	-	-	(0.4)	(0.7)	-	
Depreciation, amortisation - operating	2.2	2.4	1.8	0.7	0.5	
Working capital movements	(2.2)	7.1	(4.4)	(5.3)	(1.3)	
Capital expenditure, inc software	(1.5)	(4.2)	(1.1)	(0.4)	(0.2)	
Free cash from operations	**16.0**	**22.0**	**6.8**	**0.9**	**4.1**	
Dividends, tax, interest paid	(4.4)	(1.3)	(3.8)	(1.7)	(1.2)	
Business acquisitions inc debt acquired	(7.2)	(1.1)	(35.1)	(46.2)	(1.4)	
Issue of share capital	0.3	-	-	15.4	0.4	
Others	-	(0.1)	-	-	-	
Reduction/(increase) in net debt	**4.7**	**19.5**	**(32.1)**	**(31.6)**	**1.9**	